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**PROJECTS AND PROPERTY COMMITTEE
5 OCTOBER 2001**

**A special meeting of the Projects and Property Committee
was held on Friday 5 October 2001 at 10am**

PRESENT: Councillor Ron Wright (Chairman),
Councillors Erin Baker, Robin Booth, Anna Crighton,
Ishwar Ganda, Denis O'Rourke and Gail Sheriff.

IN ATTENDANCE: Councillor David Close.

APOLOGIES: Apologies for absence were received and accepted from the Mayor
and Councillor Ian Howell.

Councillor O'Rourke retired temporarily from 10.28am to 10.31am
and was absent for part of clause 1.

Councillor Booth retired temporarily from 10.35am to 10.50am and
from 10.53am to 10.58am and was absent for part of clause 1.

Councillor Sheriff retired temporarily from 10.54am to 11am and
was absent for part of clause 1.

The Committee reports that:

PART A - MATTERS REQUIRING A COUNCIL DECISION

1. TREES FOR CANTERBURY - RELOCATION OPTIONS

Officer responsible Property Manager	Author Steve McCarroll, Property Projects Officer, DDI 3711-940
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The purpose of this report is to provide the Council with information on the alternative site options that have been canvassed for Trees for Canterbury (TFC) and to seek a resolution on the Council's future support and involvement.

At the commencement of the meeting, Mr Steve Bush (Manager) and Dr Tim Jenkins (Trustee) spoke on behalf of Trees for Canterbury on matters raised in the following report.

They also provided background information on the operations of Trees for Canterbury and sought urgent consideration by the Council on a suitable alternative site than that currently occupied at Opawa Road. This site will be affected by the widening of Opawa Road.

BACKGROUND

TFC occupy a site on Council land that cannot be considered for their long term future because of road widening that is planned for construction in the 2003/04 year.

They have liaised over a two year period with Council officers on alternative options and have an understanding that the Council will support them in finding an alternative site.

Although this report focuses on how we can assist TFC, the Council should not lose sight of the question as to whether or not the Council should be involved in other than a facilitation role. Having said that, it is clear that the objectives of TFC closely align with the Council's strategic goals as follows:

Strategic Goals:

"Economic Development" – Foster opportunities for sustainable economic development in order to generate employment and income and enhance the quality of life of all residents,

"Environmental Sustainability" – Conserve and where practicable restore the natural environment and develop the built environment to enhance the distinct character of Christchurch and maximise the quality of life for current and future generations.

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TFC is a community project run by the Green Effect Trust.

They have been in existence for 11 years and have been winners of both the Green Heart and the Canterbury Resource Management Award. They recently received a civic award from the Christchurch City Council for their environmental work and it is widely acknowledged that they are a worthwhile and important organisation within Christchurch.

Their main objectives are:

- (i) To promote conservation and native revegetation in New Zealand.
- (ii) To provide training, supervision and supportive work environments so that unemployed, beneficiaries and other disadvantaged groups can re-enter the work force.
- (iii) To supervise and direct projects as deemed fit by the Trust and that are consistent with the other objectives of the Trust.
- (iv) To support TFC in tree growing and planting for the sake of the environment and community.

They currently occupy two properties on Opawa Road under a "peppercorn" lease arrangement. They have been on this site for 11 years. These properties were acquired by the City Council and held by the City Streets Unit for the purposes of road widening.

Originally the widening proposal was for a separate four lane road – this entailed a 30 metre wide designation that is still in place (until the new plan becomes operative).

The City Streets Unit, in conjunction with Transit New Zealand, have more recently finalised a modified proposal for widening Opawa Road to a more limited degree. This will provide a new two lane road, with landscape strip and service road for residential properties on the southwest side. This will require 13 metres of widening to be taken from properties on the northeast side of Opawa Road (ie measured from the existing property boundary).

The current site (in Council ownership) amounts to approximately 5400 m² and would become too small to accommodate TFC's requirements, when the 13 metre widening is taken (plan attached).

There are two reasons therefore why the existing site should not be considered as a future permanent home for TFC.

1. The site will become too small.
2. Under current Council policy disposal of Council land must be undertaken in accordance with the Property Decision Making Flow Chart. This process involves circularisation the land to Community Boards and all internal Council units with a view to ascertaining ongoing Council use. In addition to this fact the Council are required to comply with "offer back" legislation under the Public Works Act which complicates consideration of this site, particularly now that it has been rezoned to Business 4.

The Property Unit has been in close liaison with the Manager for TFC for some two years to ascertain if a parcel of Council owned land maybe suitable for their long term use.

Site Requirements

For the Committee's information the following is a brief of TFC requirements:

- Immediate solution because of funding issues.
- *Affordability* - the Trust currently pay a rental of \$200 per annum on their existing site. Any new lease on other Council land is sought at a nominal rental.
- *Location* – it is important that they be located on or near a good bus route as many of their employees travel to work by public transport. Many are young and recently employed or have IHC affiliations and cannot drive themselves to work.
- *Retailing potential* – there is a retail outlet attached to the operation and a good frontage with a reasonable profile is important from their perspective.

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- *Site requirement* – while TFC currently occupy approximately 5400 m² they have indicated a need for a site of up to 1 hectare (10,000 m²).
- *Tenure* - because of the level of capital investment proposed they wish to obtain a lease for a minimum ten year period with 20 years being more preferable.
- *Security* – the site would need to be fenced to ensure security of their stock with screening required should their site adjoin a residential development.
- *Services* - all usual services will be necessary, ie power, telephone, waste, water and stormwater connections.

Transaction Impediments

Given that TFC is not part of the City Council, care needs to be exercised in making available any land no longer required for Council operational purposes, without first verifying whether or not any Public Works Act offer back requirements are necessary.

If the Council has acquired land for a specific public work and no longer requires that land (or part thereof) for that public work, it may, by resolution of the Council change that public work use of that land. TFC is not part of the Council and is not qualified for consideration as a public work activity. When the Council releases land from operational use as a public work, it has an obligation to either, in a reasonable time frame resolve to use the land for a different public work or to declare it surplus and commence offer back proceedings to the former owner(s) in accordance with the Public Works Act. The Council also needs to consider that in dealing unilaterally with any Charitable Trust, it does not leave itself open to criticism from:

- Other Charitable Trusts which may also be facing funding difficulties, whether it be in the ability to fund land or buildings, which may in the opinion of those other charitable trusts, provide higher priority/better community benefit outcomes.
- Commercial nurseries who may see support for TFC as unfair assistance.

OPTIONS

A number of Council owned options have been considered as possibilities to relocate TFC.

Considered and Declined

The following table lists those properties dismissed by TFC as possibilities for the reasons outlined.

Property	Reason Dismissed
1. Johns Road	<ul style="list-style-type: none"> • No public transport available within close proximity
2. Wilmers Road	<ul style="list-style-type: none"> • No public transport available within close proximity. • No services currently in existence to this parcel of land.
3. Kearneys Road	<ul style="list-style-type: none"> • Poor profile for retail activity. • This site has now been offered to the Linwood Rugby Club and is no longer a possibility.
4. Philpotts Road	<ul style="list-style-type: none"> • Subject to flooding. • Located opposite a commercial nursery operation. (Oderings)
5. Pages Road	<ul style="list-style-type: none"> • Poor profile for retail activity. • No public transport available within close proximity.
6. Owles Terrace	<ul style="list-style-type: none"> • Poor location from a retail perspective.
7. Kennedys Bush Road	<ul style="list-style-type: none"> • No public transport available within close proximity. • Poor location from a retail perspective.
8. Charlesworth Street	<ul style="list-style-type: none"> • Poor location from a retail perspective. • Located some distance from public transport.

TFC have also canvassed the private market and to date have been unsuccessful in securing a suitable site.

Sites that have been inspected have included a block of hospital land adjoining the Burwood Spinal Unit which was particularly favourable but unfortunately was withdrawn from contention (after several months of evaluation) by Burwood Hospital. A site in Scruttons Road, Heathcote Valley was suggested by Maugers Contracting but unfortunately this is not in a suitable location.

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Some recent information has been obtained on the former Orion land in Packe Street. This is a large parcel of land that is currently being marketed by Orion. Indications are the owners would consider the sale of a portion of this land. This block of land is zoned Living 3 and indicative values would suggest a 1 hectare portion of this land could well be worth in the vicinity of \$900,000.

Remaining Options

The following blocks of Council land are of interest to TFC and have been listed in order of preference. They have a number of generic issues associated with them, however:

- These properties are either part-way or have not been through the Council's Property Decision Making Flow Chart process. In the normal course of events this is at least a six to eight month process.
- Statutory obligations under the Public Works Act have not been investigated. Preliminary advice indicates Council would be under offer-back obligations on all of these options.
- Future use options for these properties have not been fully considered, as the option analysis has not been completed which compares highest and best use possibilities with any internal interest.
- Council policy is that all land not required for operational purposes be put through the above process.
- Council policy with regard to sale or lease of land is that it should be publicly tendered unless there is a clear reason for doing otherwise.

1. **Linwood Service Centre Site – Smith Street**

This is the site most favoured by TFC.

Adjoining the Linwood Service Centre is a vacant parcel of land of approximately 9000 m² in area. The land has previously been used for Council nursery purposes but is no longer required for that purpose. It has been circularised under the Property Decisions Making Flowchart with registrations of interest being received from the Community Board for the establishment of a Community Garden (not a Public work).

The Parks & Waterways Unit also presented a submission with the recommendation that the land be retained in Council ownership for open space provision grounds.

To consider the use of the vacant area of land for TFC would compromise the longer term strategic issues associated with this site and for primarily this reason it was dismissed earlier this year as an option for the permanent location for TFC. The Committee will recall that because of the capital investment they need to undertake they require a lease of 10 years but preferably 20 years.

For these reasons the Property Unit dismissed the Linwood Service Centre site as an option for TFC and the Community Advocate therefore has progressed issues with regard to the establishment of Community Garden on this parcel of land.

There is a wide community expectation that this project will commence immediately. The use of this land for a Community Garden has been negotiated on the basis that Council can give three months notice of termination of lease.

It is necessary for the Council to resolve that this is an appropriate use for the land in the interim period prior to a full options report being presented to the Council on this parcel of land. Public Works Act offer back obligations have not yet been assessed.

2. **Westminster Yard**

The Committee may be aware that in July 2001 the Council's business unit, City Care vacated the Westminster Street yard.

The total area of Council owned land in this vicinity is in excess of 4 hectares which incorporates adjoining Reserve land with the area of the yard being slightly in excess of 1 hectare. It is predominantly sealed in asphalt throughout with substantial garage, storage, office and amenities buildings.

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TFC have inspected this site and have indicated that it would be suitable for their permanent location subject to some demolition of storage bins and garage buildings in the centre of the site. However Public Works Act issues have not been canvassed.

Council's Parks & Waterways Unit have advised that preliminary concept plans have been prepared to develop the entire yard for inclusion in the adjoining reserve, a public work.

A 1 hectare area would have an estimated value in the vicinity of \$500,000.

3. Sockburn Yard

The essentially vacant Sockburn yard area is approximately 7000 m² in area.

TFC have inspected this site but is not their preferred option as there are a number of issues associated with its use. These include:

- Difficulties because of the Reserve status of this land.
- An existing lease has been negotiated with Civil Defence which incorporates an area of the yard (this may be able to be renegotiated).
- There is a proposal to redesign the major intersection currently to the south of the Sockburn Service Centre which will necessitate the construction of a new road which on early scheme plans is proposed through the centre of the existing yard. (Some compromise to this may be able to be negotiated.)
- Longer term lease or sale of this land is complicated with the complex statutory issues that need to be addressed.
- The current buildings on site are used for storage purposes. Alternative space would need to be sought.

4. Hunter Terrace

The Committee will be aware that the Council's Water Services Unit have predominantly vacated the large pipe storage yard at the lower end of Colombo Street.

This is a large area of land totalling in excess of 3 hectares.

Additional issues associated with this land if it was to be considered as an option for TFC include:

- The Property Unit is aware that there are a number of competing internal interests for the use of this land.
- The site contains a number of wells and the manager for TFC did suggest that an issue might arise with regard to the use of sprays. Council's City Water & Waste, Operations Manager however was uncertain as to whether this may be an issue.

BUDGET

There is currently no internal unit of Council that has any budget provision to support TFC.

Discussions held with Senior Council Financial officers have indicated that the Council's contingency budget could possibly accommodate relocation costs of up to say \$30,000.

Other alternatives would be for a Council unit to substitute other budgeted items which may be a possibility. The Council has resolved that no new capital expenditure will occur without substitution.

The Property Asset Team Leader has advised that there is a sum of \$800,000 in the 2002/03 budget year for asset renewals. It is considered however that this sum could be more appropriately used for higher priority projects, eg the Civic Centre upgrade.

SUMMARY

TFC have a strong impression and expectation that the Council will be able to assist them in establishing a permanent location on an alternative site at a low cost to TFC.

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In reality, the Property Unit has reluctantly concluded that it is not possible to achieve this outcome in a transparent manner on Council owned land without subverting the Council's own policy and processes, including statutory requirements.

If the Council was to consider supporting TFC in the form of a grant to purchase a suitable block of land on the open market, the sum of approximately \$500,000 would be required. In considering this option consideration must be given to the vast number of other trust organisations that exist within the city and the fact that the Council would be supporting TFC without a transparent prioritisation process.

From the contents of this report it is evident that it is difficult to accommodate the needs of TFC. They require a site with a low rental and for a long term. This is best achieved by locating them on land that the Council is still holding for its original purpose for strategic reasons.

Those sites that meet the above criteria, ie Pages Road and Charlesworth Street have not been favoured options by TFC.

We consider that there are three options:

1. Advise TFC that the Council currently has no land immediately available for their permanent location.
2. That TFC be considered along with other "community use options", in the future options report on the four properties outlined in the body of the report.
3. Council provide budget monies, ie by way of grant for TFC so they can consider purchase of a site on the open market.

Accordingly, it is recommended:

1. That Trees for Canterbury be advised that the Council currently has no land immediately available that meets the scope of Trees for Canterbury requirements, for their permanent location.
2. That the Council resolve that the Smith Street land be used for Community Garden purposes with three months notice to vacate, pending the preparation of an options report on this land being presented to the Council.

Following discussion and further advice from the Property Manager, the Committee considered that the project was worthy of continued support and recommended as follows.

- Recommendation:**
1. That the Council resolve:
 - (a) That, subject to any requirements of the Public Works Act 1981, Trees for Canterbury be offered a lease (five years with a right of renewal for a further five years) over the Council's property at Charlesworth Street.
 - (b) That a sum of up to \$30,000 be offered to Trees for Canterbury to assist with relocation costs with the source of funds being the contingency fund, subject to actual relocation costs being determined.
 2. That the Smith Street land be used for community garden purposes with three months notice to vacate, pending the preparation of an options report on this land being presented to the Council.

The meeting concluded at 11.12am

CONSIDERED THIS 9TH DAY OF OCTOBER 2001

MAYOR